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**SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU
FINANCIAL REPORT
DECEMBER 31, 2001**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the courts and other appropriate public officials. The report is available for public inspection at the records manager's office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Issued Date: 8/1/02

EASTERN LOUISIANA CONVENTION AND VISITOR BUREAU

Lake Charles, Louisiana

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**SOUTHWEST LOUISIANA CONVENTION
AND VISITORS' MEETING**

December 21, 1981

BOARD OF DIRECTORS

Gary McQuinn - Chairman
Sam Rathbun
Bernard Brown
Richard Dean
Joseph Hancock, Jr.
Tim Krouse
R. E. Lavers
Paul Lorio
Edna Madson
Tommy Nalledge
Fran Sanders

EXECUTIVE DIRECTOR

Shelley Johnson

BOARD COUNSEL

Terry Bussel - DISTRICT ATTORNEY
Edna Ringland - Attorney

McELROY, QUIRK & BURCH

A Professional Corporation • Certified Public Accountants • Since 1897
800 Kings Ferry • P.O. Box 1879 • Lake Charles, LA 70602-0879
(337) 535-1865 • Fax (337) 535-1868 • Web page: www.mqb-us.com

LA 00001 CERTIFICATE OF INCORPORATION STATEMENT NO. 00-0000

Carl W. Gannon, CPA,
Richard R. Gaudin, CPA,
Thomas L. Gaudin, CPA, CMA,
Robert M. Goss, CPA, CFT
Theodore R. Horn, CPA, CMA,
Mable C. Rousset, CPA



Wes E. Baker, CPA,
James L. Baskley, CPA,
Craig P. Higgins, CPA, CFP®

Charles E. Smith, CPA, Enrolled
Agent, William B. CPA, Enrolled
Agent, P. Wright, CPA, Enrolled
William A. Baskley, CPA, Enrolled
Agent, William B. CPA, Enrolled

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REPORT OF INDEPENDENT AUDITORS

Board of Directors
Southwest Louisiana Convention and Visitors Bureau
Lake Charles, Louisiana

We have audited the accompanying general purpose financial statements of the Southwest Louisiana Convention and Visitors Bureau as of and for the year ended December 31, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of Southwest Louisiana Convention and Visitors Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Southwest Louisiana Convention and Visitors Bureau as of December 31, 2001, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 18, 2002 on our consideration of the Southwest Louisiana Commission and Visitors Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Richard J. Smith

Mark Charles, Louisiana
June 18, 2002

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

UNIFIED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT ENDS December 31, 2001

| ASSETS | TOTAL | | Fiduciary Fund |
|-------------------------------------------------------------------|---------------------|------------------|-------------------|
| | Governmental | Special | |
| | Fund Type | Account | Fund |
| | Revenue | Revenue | Revenue |
| Cash and cash equivalents | \$ 881,894 | \$ - | - |
| Investments | 81,800 | 98,882 | - |
| Accounts receivable | 97,976 | - | - |
| General fixed assets | - | - | - |
| Amount to be provided for retirement of general long-term debt | - | - | - |
| Total assets | \$ 1,062,670 | \$ 98,882 | |
| | | | |
| LIABILITIES AND FUND EQUITY | | | |
| Liabilities: | | | |
| Accounts payable | \$ 18,480 | \$ - | - |
| Accrued salaries | 12,730 | - | - |
| Payroll taxes payable | 860 | - | - |
| Other current liabilities | 9,180 | - | - |
| Deferred compensation benefits | 42,860 | 98,882 | - |
| Bonds payable | - | - | - |
| Total liabilities | 103,110 | 98,882 | |
| | | | |
| Fund equity: | | | |
| Investment in general fixed assets | - | - | - |
| Fund balance: | | | |
| Unreserved: | | | |
| Designated for special projects | 981,860 | - | - |
| Undesignated | 298,560 | - | - |
| Total fund equity | 1,280,420 | - | |
| Total liabilities and fund equity | \$ 1,412,630 | \$ 98,882 | |

See Note to Financial Statements.

| <u>Accounts - Debits</u> | | <u>Accounts - Credits</u> | |
|--------------------------|------------------|---------------------------|------------------|
| <u>General</u> | <u>General</u> | <u>Retained Earnings</u> | |
| <u>Fixed</u> | <u>Long-Term</u> | <u>2001</u> | <u>2002</u> |
| <u>Assets</u> | <u>Debt</u> | | |
| 0 | 0 | 0 | 0 |
| - | - | 100,000 | 100,000 |
| - | - | 100,000 | 100,000 |
| - | - | 0 | 0 |
| 1,000,000 | - | 1,000,000 | 1,000,000 |
| - | 600,000 | 600,000 | 600,000 |
| <u>1,000,000</u> | <u>600,000</u> | <u>1,000,000</u> | <u>1,000,000</u> |

| | | | |
|------------------|----------------|------------------|------------------|
| 0 | 0 | 0 | 0 |
| - | - | 10,000 | 10,000 |
| - | - | 10,000 | 10,000 |
| - | - | 0 | 0 |
| - | - | 0 | 0 |
| - | - | 0 | 0 |
| - | 600,000 | 600,000 | 600,000 |
| - | 600,000 | 600,000 | 600,000 |
| 1,000,000 | - | 1,000,000 | 1,000,000 |
| - | - | 0 | 0 |
| - | - | 0 | 0 |
| - | - | 0 | 0 |
| - | - | 0 | 0 |
| - | 600,000 | 600,000 | 600,000 |
| - | 600,000 | 600,000 | 600,000 |
| <u>1,000,000</u> | <u>600,000</u> | <u>1,000,000</u> | <u>1,000,000</u> |

BOULEVARD LOUISIANA CONVENTION AND VISITOR'S BUREAU

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- ALL GOVERNMENTAL FUND TYPES-REGULAR REVENUE (Year Ended December 31, 1991 and 1990)

| | 1991 | 1990 |
|-------------------------------------------------------------|------------------|------------------|
| REVENUES: | | |
| 2% occupancy tax | \$ 1,139,879 | \$ 1,070,879 |
| Player's settlement - taxes | - | 118,389 |
| Interest, dividends | 31,189 | 44,823 |
| Intergovernmental | 100,975 | 104,380 |
| FEMA Project - Louisiana Regional Development Commission | - | 7,089 |
| Gift Shop | 15,188 | 17,915 |
| Reading | 514 | 713 |
| Louisiana Office of Tourism | - | 10,808 |
| City of Lake Charles | 35,890 | 4,389 |
| Municipalities | <u>221</u> | <u>28,283</u> |
| Total revenues | <u>1,403,221</u> | <u>1,473,586</u> |
| EXPENDITURES: | | |
| Advertising, sales and promotions: | | |
| Ad specialties | 38,040 | 37,784 |
| Audio-visual/production | 5,134 | 8,987 |
| Media advertising | 331,648 | 344,185 |
| Recruitment/public affairs | 30,733 | 47,488 |
| Outdoor advertising | 21,044 | 31,243 |
| Printed literature | <u>52,528</u> | <u>58,686</u> |
| Total advertising, sales and production | <u>389,127</u> | <u>428,373</u> |
| Personnel services: | | |
| Salaries-full time | 344,444 | 342,779 |
| Salaries-assistants | 53,995 | 53,345 |
| Contract labor | 909 | 1,081 |
| Payroll taxes | 38,739 | 35,444 |
| Employee benefits | <u>48,732</u> | <u>53,382</u> |
| Total personnel services | <u>487,819</u> | <u>485,031</u> |
| Operations: | | |
| Accounting | 10,808 | 10,695 |
| Automobile | 19,899 | 18,290 |
| Building maintenance | 28,283 | 28,810 |
| Business promotion | 48,348 | 75,873 |
| Convention services | 8,389 | 5,888 |
| Conferences and seminars | 38,787 | 35,444 |
| Equipment contracts | 34,365 | 34,389 |
| Gift shop | 9,213 | 10,338 |
| Insurance-general | <u>14,340</u> | <u>11,813</u> |

(continued on next page)

LOUISIANA COLLECTION AND VISITOR'S CENTER

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
ALL GOVERNMENTAL FUND TYPES-SPICIAL REVENUE
Year Ended December 31, 2003 and 2002
(Continued)

| | 2003 | 2002 |
|---------------------------------------------------|------------------|------------------|
| Expenditures (cont.): | | |
| Operations (cont.): | | |
| Legal Fees | 1,871 | 18,894 |
| Membership | 18,164 | 18,756 |
| Miscellaneous | 8,828 | 4,888 |
| Office | 13,648 | 18,927 |
| Postage | 13,188 | 13,183 |
| Telephone | 18,762 | 18,138 |
| Travel | 43,443 | 48,427 |
| Utilities | 16,496 | 13,878 |
| Vending | 182 | 182 |
| Total operations | <u>208,378</u> | <u>196,661</u> |
| Subscriptions grants: | | |
| Arts and Tourism grants | 27,788 | 13,068 |
| Non-profit matching grants | 33,580 | 86,817 |
| Cresic Meters Trail Homeic Savings | 87,760 | 88,818 |
| Cameron Parish matching grants | <u>33,344</u> | <u>8,817</u> |
| Total subscription grants | <u>182,472</u> | <u>196,513</u> |
| Capital outlay: | | |
| Building | 8,822 | 13,787 |
| Furniture and equipment | 488 | 12,841 |
| Vehicle | <u>18,853</u> | <u>18,892</u> |
| Total capital outlay | <u>28,163</u> | <u>45,520</u> |
| Debt service: | | |
| Bond retirement | 13,432 | 18,188 |
| Interest expense and fees | <u>78,843</u> | <u>118,732</u> |
| Total debt service | <u>92,275</u> | <u>136,920</u> |
| Total expenditures | <u>3,278,314</u> | <u>3,294,882</u> |
| Excess (Deficiency) of revenues over expenditures | 88,890 | (18,278) |
| Fund balance at beginning of year | <u>850,896</u> | <u>865,286</u> |
| Fund balance at end of year | <u>9,307,490</u> | <u>9,056,808</u> |

SEE NOTES TO FINANCIAL STATEMENTS.

SEVENTH LOUISIANA CONVENTION AND VISITING BUREAU

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE--FALL GOVERNMENTAL FUND TYPE--BUDGET AND ACTUAL (NON-GRANT BUDGETARY BASIS)-- SPECIAL REVENUE

Year Ended December 31, 2001

| | Actual | Budget | Variance Favorable (Disadvantage) |
|--------------------------------------------|------------------|------------------|-----------------------------------------|
| Revenues: | | | |
| 25 occupancy tax | \$ 1,205,451 | \$ 1,204,832 | \$ 619 |
| Interest, dividends | 55,188 | 4,139 | \$5,049 |
| Intrigovernmental | 100,450 | 100,450 | - |
| Gift Shop | 15,000 | 15,476 | 132 |
| Vending | 500 | 500 | 100 |
| Miscellaneous | 125 | - | 125 |
| City of Lake Charles | 10,000 | 10,000 | - |
| Total revenues | <u>1,377,114</u> | <u>1,431,407</u> | <u>54,293</u> |
| Expenditures: | | | |
| advertising, sales and promotions: | | | |
| ad specification | 26,893 | 26,450 | 443 |
| radio-visual/production | 5,100 | 5,500 | 399 |
| media advertising | 140,573 | 147,237 | 6,664 |
| bulletin/public affairs | 20,733 | 21,800 | 1,067 |
| outdoor advertising | 21,504 | 21,800 | 296 |
| printed literature | 52,502 | 52,300 | 202 |
| Total advertising, sales and production | <u>277,305</u> | <u>285,287</u> | <u>7,982</u> |
| personnel services: | | | |
| retiree-Trib-Ties | 100,400 | 107,133 | 6,733 |
| retiree-Annulments | 50,000 | 50,430 | 430 |
| Contract labor | 800 | 2,000 | 1,200 |
| Payroll taxes | 28,220 | 33,001 | 4,781 |
| Employee benefits | <u>68,162</u> | <u>68,262</u> | <u>100</u> |
| Total personnel services | <u>247,582</u> | <u>260,826</u> | <u>13,244</u> |
| operations: | | | |
| Accounting | 18,000 | 13,000 | 5,000 |
| Automobile | 14,100 | 14,300 | 200 |
| Building maintenance | 24,070 | 23,000 | 1,070 |
| Business promotion | 70,400 | 70,000 | 400 |
| Convention services | 5,000 | 5,000 | - |
| Conferences and seminars | 27,000 | 27,000 | - |
| Equipment maintenance | 20,100 | 20,000 | 100 |
| Gift shop | 0,240 | 0,000 | 240 |
| Insurance-general | 14,240 | 24,230 | 9,990 |

(continued on next page)

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-ALL
GOVERNMENTAL FUND TYPES-PURCHAS AND ACTUAL (NON-GRAP BUDGETARY BASIS) -
SPECIAL REVENUES**

Year Ended December 31, 1993

(Continued)

| | <u>Actual</u> | <u>Budget</u> | <u>Variance Favorable (Unfavorable)</u> |
|-------------------------------------------------------------------------------------|----------------|----------------|-------------------------------------------------|
| Expenditures (cont.): | | | |
| Operations (cont.): | | | |
| Legal fees | 1,871 | 1,880 | 39 |
| Membership | 29,879 | 28,880 | 1799 |
| Miscellaneous | 8,618 | 8,888 | 1,269 |
| Office | 22,861 | 23,589 | 459 |
| Postage | 29,156 | 33,889 | 346 |
| Telephone | 25,872 | 18,000 | 129 |
| Travel | 48,497 | 43,889 | 1,180 |
| Utilities | 28,275 | 28,275 | - |
| Vending | 382 | 382 | 38 |
| Total operations | <u>207,622</u> | <u>228,792</u> | <u>(2117)</u> |
| Subrecipient grants: | | | |
| Arts and Tourism grants | 27,768 | 27,768 | - |
| Non-profit matching grants | 58,508 | 58,508 | - |
| Grandje Nature Trail Bonnie Bynum | 87,788 | 87,788 | - |
| Cameron Parish matching grants | 22,132 | 22,228 | 68 |
| Total subrecipient grants | <u>196,206</u> | <u>196,292</u> | <u>68</u> |
| Capital outlay | <u>26,282</u> | <u>27,832</u> | <u>1,272</u> |
| Debt service: | | | |
| Bond retirement | 18,487 | 18,487 | - |
| Interest expense and fees | 18,883 | 18,883 | - |
| Total debt service | <u>37,370</u> | <u>37,370</u> | <u>-</u> |
| Total expenditures | <u>341,278</u> | <u>390,274</u> | <u>4,896</u> |
| Excess (deficiency) of revenues over expenditures (budget basis) | <u>99,448</u> | <u>98,433</u> | <u>1,415</u> |
| Other financing sources (uses): | | | |
| Appropriation of prior year designated | | | |
| Fund balance | - | 127,662 | |
| Appropriation to designated fund balance | - | (127,662) | |

(continued on next page)

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-ALL GOVERNMENTAL FUND-TYPE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS):

SPECIAL REVENUE

Year Ended December 31, 2001

(Continued)

| | <u>Actual</u> | <u>Budget</u> | Variance Favorable (Unfavorable) |
|----------------------------------------------------------------------------------------------------------|-------------------|---------------|----------------------------------------|
| inefficiency of revenues and other financing sources over expenditures and other financing uses | 92,848 | \$ _____ | |
| Adjustments to GAAP basis: | | | |
| To adjust revenues for accruals | (15,146) | | |
| To adjust expenditures for accruals | <u>12,168</u> | | |
| inefficiency of revenues over expenditures (GAAP basis) | 89,870 | | |
| Fund balance at beginning of year | <u>850,808</u> | | |
| Fund balance at end of year | <u>\$ 939,678</u> | | |

See Notes to Financial Statements.

SOUTHWEST LOUISIANA CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the Southwest Louisiana Convention and Visitors Bureau have been prepared in conformity with generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Bureau's more significant accounting policies are described below.

A. Nature of Business

The operations of the Southwest Louisiana Convention and Visitors Bureau are to promote conventions and tourism in the Calcasieu Parish area.

B. Reporting Entity

The Southwest Louisiana Convention and Visitors Bureau was created in 1973 by an Act of the Louisiana Legislature. That Act was amended and reenacted by Act 47 to create the Bureau as a political subdivision of the State of Louisiana effective for 1993 with the purpose of promoting conventions and tourism in the Calcasieu Parish area. During 1990 the Louisiana Legislature increased the seven person governing board to an eleven person Board of Directors. The following governmental bodies appoint members to and are represented on the Board:

Calcasieu Parish Police Jury-six members

The City of Lake Charles-three members

West Calcasieu Community Center Authority-one member

The City of Sulphur-one member

The financial statements of the Bureau include all operations and activities of the Bureau under control and authority of the Board of Directors and it was determined that no other agency should be included in this reporting entity.

NOTES TO FINANCIAL STATEMENTS

C. Fund Accounting

The Southeast Louisiana Convention and Visitors Bureau uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not reflected in the funds because they do not directly affect net expendable available financial resources. The financial statements in this report are grouped into the following fund types and account groups:

One governmental fund type, a special revenue fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

One fiduciary fund type, an agency fund used to account for the deferred compensation plan. Agency funds are custodial in nature and do not involve measurement of operations.

Two account groups, the general fixed assets account group and the long-term debt account group. All fixed assets used in governmental fund operations are accounted for in the general fixed assets account group. Long-term obligations for governmental fund operations are accounted for in the long-term debt account group.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds.

NOTES TO FINANCIAL STATEMENTS

The Bureau uses the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when both "measurable and available". Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred.

Major revenue sources attributable to accrual include: company tax, interest, dividends, and intergovernmental revenues.

The Bureau's records are maintained on a cash basis of accounting. However, the funds reported in the accompanying financial statements have been converted to a modified accrual basis of accounting utilizing the following practices:

Revenues:

Revenues collected in the current period that were measurable and available as net current assets of the prior period are adjusted out of current revenue. Uncollected revenues that are measurable and available as net current assets of the current period are recognized as revenue.

Expenditures:

Expenditures are adjusted to record in the current period only those expenditures for which the related fund liability was incurred in the current period.

Advertising:

The Bureau alerts its expense advertising cost as incurred. The advertising cost for the year ended December 31, 1991 amounted to \$287,422.

NOTES TO FINANCIAL STATEMENTS

Estimates:

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

B. Budgets and Budgetary Accounting

The Director and two budget committees submit to the Board of Directors a proposed budget prior to the beginning of the fiscal year. The operating budget includes proposed expenditures and the means of financing them. The budget is prepared using the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). Budgeted amounts are so amended by the Board of Directors.

After a complete review the budget is approved. Any deviations that affect total expenditures must be approved by the Board. Formal budgetary integration is employed as a management control device during the year. All budgetary appropriations lapse at the end of each fiscal year.

During the year ended December 31, 1991, budgeted amounts for revenues were increased approximately 453,748 and expenditures were increased approximately 455%. The major part of these changes is represented by an increase in occupancy tax and a decrease in gross income from those amounts originally budgeted.

Encumbrance accounting is not used.

F. Cash, Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments, readily convertible to known amounts of cash, and at the date of purchase, have a maturity of no longer than three months.

NOTES TO FINANCIAL STATEMENTS

Louisiana State Statutes, as stipulated in R.S. 19:1075, authorize the Bureau to invest in United States bonds, treasury notes, or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMPI), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

In accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Bureau has stated their investments at fair value at December 31, 1991. Fair value was determined by obtaining "quoted" year end market prices. Cash and cash equivalents, which include cash, demand deposits, having an original maturity of three months or less from the date acquired are stated at amortized cost.

G. Fixed Assets

Fixed assets used in special revenue fund type operations are recorded as expenditures at the time purchased and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

H. Compensated Absence

The Bureau has the following policy related to vacation and sick leave:

The cost of current leave and sick pay are recognized as current year expenditures when leave is actually taken. Vacation and sick pay do not accrue from year to year.

1. Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

NOTES TO FINANCIAL STATEMENTS

G. Bad Debts

No reserve for uncollectible receivables had been recorded as of December 31, 1981, as all receivables were considered collectible.

H. Fund Equity

Designated Fund Balance:

Designated fund balances represent tentative plans for future use of financial resources. The Bureau has designated \$761,168 of its Special Revenue Fund equity for various special projects as explained in Note 7.

I. Total Column on Combined Statements - Overview

Total column on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Note 2. Cash, Cash Equivalents and Investments

The Southern Louisiana Convention and Visitors Bureau maintains demand and time deposits through local depository banks which are members of the Federal Reserve System.

Deposits in excess of federally insured amounts are required by Louisiana state statute to be protected by collateral of equal market value. Authorized collateral includes general obligations of the U.S. government, obligations issued or guaranteed by an agency established by the U.S. government, general obligation bonds of any state of the U.S., or of any Louisiana parish, municipality, or school district.

Investments are carried at fair value.

NOTES TO FINANCIAL STATEMENTS

Cash and Cash equivalents:

The Bureau's bank demand and time deposits at December 31, 1991 classified to give an indication of the level of risk assumed by the Bureau are as follows:

| | Cash and Demand Deposits |
|---------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| Carrying amount | \$ 112,522 |
| Bank balances: | |
| A. Insured or collateralized with securities held by the entity or its agent in the entity's name | \$ 374,315 |
| B. Collateralized with securities held by pledging financial institution's trust department or agent in the entity's name | \$7,500 |
| C. Uncollateralized, including any securities held for the entity but not in the entity's name | - |
| Total bank balances | \$ 381,815 |

Cash equivalents held at December 31, 1991, consist of \$71,005 Louisiana Asset Management Pool Inc. (LAMPI), a local government investment pool (see Summary of Significant Accounting Policies).

In accordance with GASB Codification Section 156.145 the investment in LAMP at December 31, 1991, is not categorized in the three risk categories provided by GASB Codification Section 156.154 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1990. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets.

NOTES TO FINANCIAL STATEMENTS

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The carrying value of LAMP at December 31, 2001 approximates its fair value.

Investments:

Investments held at December 31, 2001, consist of the following investments held in the Subod Trust and the Deferred Compensation plan. The trust and the deferred compensation plan are more fully described in Note 10. The investments are categorized to give an indication of the level of risk assumed by the Bureau. Category 1 includes investments that are insured or registered, or for which the securities are held by the Bureau or its agent in the name of the Bureau. Category 2 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent in the name of the Bureau. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution, or by its trust department or agent but not in the name of the Bureau.

| | Reported at Fair Value | | |
|-----------------------|------------------------|------------|------|
| | Category | | |
| | 1 | 2 | 3 |
| Life insurance policy | \$ - | \$ 11,888 | \$ - |
| Mutual Funds | - | 148,487 | - |
| Total | \$ - | \$ 160,375 | \$ - |

NOTES TO FINANCIAL STATEMENTS

NOTE 3. Lease Agreement

The Bureau occupies property it has leased through a joint service agreement with the City of Lake Charles. The agreement provides the Bureau use of the land at no cost.

NOTE 4. Changes in General Fixed Assets

A summary of changes in fixed assets follows:

| | Balance 1/1/81 | Additions | Deletions | Balance 12/31/81 |
|--------------------------|---------------------|-----------------|-------------|---------------------|
| Buildings | \$ 1,431,155 | \$ 4,700 | - | \$ 1,435,855 |
| Furniture and equipment | 284,167 | - | - | 284,167 |
| Transportation equipment | 85,000 | 18,000 | - | 103,000 |
| Computer equipment | 77,744 | 484 | - | 78,228 |
| Depleted | <u>18,154</u> | - | - | <u>18,154</u> |
| | <u>\$ 1,896,119</u> | <u>\$ 5,184</u> | <u>\$ -</u> | <u>\$ 1,901,303</u> |

NOTE 5. Long-Term Debt

Long-term debt is comprised of the following at December 31, 1981:

Recess Revenue Certificates of Indebtedness Series 1980 payable to Bank One, Louisiana in the original amount of \$874,000, dated January 1, 1980; bearing an interest rate of 8.5% fixed, payable July 1, 1980, and semi-annually thereafter on January 1 (principal and interest) and July 1 (interest) each year. The certificates are secured by and payable in principal and interest from the irrevocable pledge and dedication of the excess of annual revenues of the issuer, those funds and monies of the issuer budgeted, allocated, available, dedicated, set aside or otherwise to be utilized to fund or make debt service payments, and the revenues, income, receipts and funds of the issuer derived from any monies appropriated from any fund created in Chapter 3-A of Subtitle 32 of Title 57 of the Louisiana Revised Statutes of 1980, as amended (collectively the "Revenues") of the issuer

\$ 874,000

NOTES TO FINANCIAL STATEMENTS

Summary of changes in general long-term debt:

| | Balance 12/31/80 | Additions | Retirements | Balance 12/31/81 |
|-------------------------------------------------------------------|---------------------|-----------|-------------|---------------------|
| United Revenue Certification of Indebtedness Series 1980 | \$ 495,212 | \$ - | \$ 70,843 | \$ 424,369 |

The annual requirements to service all general obligation debt outstanding as of December 31, 1980 including interest of \$186,847, are as follows:

| Year Ending December 31 | General Obligations |
|----------------------------|------------------------|
| 1980 | \$ 44,873 |
| 1981 | 134,820 |
| 1982 | 121,494 |
| 1983 | 122,828 |
| 1984 | 187,437 |
| 1985 and thereafter | 329,394 |

Note 4. Compensation for Board of Directors

The Board of Directors received no compensation for the year ended December 31, 1980.

Note 7. Designated Designated Funds

The Board of Directors has designated fund balances to provide for the following projects:

| | |
|------------------------------------------|-------------------|
| Visitor Enterprise Fund - Budget Account | \$ 10,148 |
| Costume Fund | 17,900 |
| Vehicle Fund | 24,837 |
| Building Repair Improvements | 55,757 |
| Employee Reimbursement | 9,142 |
| Bond Retirement Fund | 202,488 |
| Major Expenditure Fund | 281,062 |
| Sports Club | 78,442 |
| Gift Awards | 40,519 |
| Portable Public Address System | _____ |
| | <u>\$ 721,292</u> |

NOTES TO FINANCIAL STATEMENTS

Note 8. 2% Occupancy Tax

Act 47 of the Louisiana Legislature authorized the Southeast Louisiana Convention and Visitors Bureau to levy and collect a 2% tax upon the occupancy of hotel rooms, motel rooms, and overnight camping facilities within its jurisdiction. The jurisdiction of the Bureau is composed of all the territory in Calcasieu Parish. The tax rate of 2% may not be increased above that rate unless approved by a majority of the electors of the parish voting thereon in an election held for that purpose. The proceeds of the tax shall be used by the Bureau for the operation of the Bureau, and for the purpose of attracting conventions and tourists into the area, and jurisdiction of the Bureau including, but not limited to, the authority to spend money for advertising, promotion, and publication of information, or for any other purpose generally or specifically authorized for occupancy taxes in the parish by this Act 47 or by any local, special, or general law.

Note 9. Intergovernmental Revenue

Intergovernmental revenue received during 2001 from the State of Louisiana Calcasieu Visitor Enterprise Fund amounted to \$165,676. The Louisiana Legislature created in the State Treasury a "Calcasieu Visitor Enterprise Fund". Monies in the fund are appropriated to the Southeast Louisiana Convention and Visitors Bureau to be used for tourism development purposes, including, but not limited to, support for historic preservation and arts and humanities.

Note 10. Deferred Compensation Plan

The Bureau offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 459. The plan, available to all Bureau employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Aetna Life Insurance and Annuity Company is managing the 459 plan. The choice of the investment options for the Section 459 plan is made by the employee.

A model Rabbi trust agreement has been established for Shelley Johnson, Executive Director. This plan is a nonqualified deferred compensation plan.

NOTE TO FINANCIAL STATEMENTS

Note 11. Budgetary - GRAP Reconciliation

The accompanying statement of revenues, expenditures and changes in fund balance-budget and actual presents comparisons of the legally adopted budget were fully described in Note 3 with actual data on a budgetary basis. This statement also includes a reconciliation of resultant basis, timing, perspective and equity differences in sources of revenues and other sources of financial resources over expenditures and other uses of financial resources for the year ended December 31, 2021.

Note 12. Changes in Agency Fund

A summary of changes in assets and liabilities - All Agency Funds follows:

| | Balance 12/31/21 | Additions | Exclusions | Balance 12/31/21 |
|------------------------|---------------------|-----------|------------|---------------------|
| Deferred Compensation- | | | | |
| 401 Plans: | | | | |
| Annuity: | | | | |
| Investments | \$ 26,222 | \$ 1,252 | \$ - | \$ 27,474 |
| Liabilities: | | | | |
| Deferred | | | | |
| compensation | \$ 26,222 | \$ 1,252 | \$ - | \$ 27,474 |

Note 13. Cooperative Endowment Agreement

The Southwest Louisiana Convention and Visitors Bureau (Bureau) has entered into agreements with the Louisiana Department of Transportation (DOTD). The DOTD, with the assistance of the Federal Highway Administration (FHWA) has implemented a Louisiana Scenic Byways Program to improve the Grande Nature Trail. The costs of the projects are a joint participation between the DOTD and the Bureau, with the Bureau contributing the 50% match of the participating work and the DOTD contributing, through the DOTD, the remaining 50% at the time of authorization.

NOTES TO FINANCIAL STATEMENTS

On December 16, 1994, the Southwest Louisiana Convention and Visitors Bureau entered into a cooperative endeavor agreement with the Crotts Nature Trail Local Myway District (District) related to the DDTD agreements. This agreement continues in effect. The District bound itself to the DDTD Agreements to the same extent as if it had been a party thereto and to undertake the projects described in the Agreements. The grants for the projects described in the Agreements were applied for by the Bureau on behalf of the District. The Bureau submits claims to the DDTD for reimbursement of 80% of the project costs and upon receipt of the funds, remits to the District a like amount. The District administers the grant funds, including the local matching funds and reports all disbursements to the Bureau quarterly.

During 1991 the following funds were administered by the Crotts Nature Trail Local Myway District:

Revenues:

| | |
|-------------------------------------------------------------------------------------------|-------------------|
| Louisiana Department of Transportation and Development and Federal Highway Administration | \$ 131,883 |
| Southwest Louisiana Convention and Visitors Bureau-matching grants | 43,184 |
| Calcasieu Parish Police Jury | 17,564 |
| Interest | <u>2,489</u> |
| Total revenues | <u>\$ 194,119</u> |

Expenditures:

| | |
|------------------------------|-------------------|
| Hospitality training | 1,273 |
| Traffic signs | 6,481 |
| Tourists | 28,437 |
| Interpretive guide | 28,484 |
| Signage | 24,254 |
| Mobile kit/CD rom | 22,083 |
| Brochure reprint/translation | <u>129,382</u> |
| Total expenditures | <u>\$ 240,394</u> |

| | |
|--------------------------------------|-------------------|
| Excess of revenues over expenditures | <u>\$ -46,275</u> |
|--------------------------------------|-------------------|

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Southwest Louisiana Convention and Visitors Bureau
Lake Charles, Louisiana

We have audited the general purpose financial statements of the Southwest Louisiana Convention and Visitors Bureau as of and for the year ended December 31, 2001, and have issued our report thereon dated June 18, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

compliance

As part of obtaining reasonable assurance about whether Southwest Louisiana Convention and Visitors Bureau's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control over Financial Statements

In planning and performing our audit, we considered Northwest Louisiana Convention and Visitors Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, would adversely affect the Bureau's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described below:

1. Because of the Bureau's size and the limited number of accounting personnel, it is not feasible to segregate duties to achieve effective internal accounting control. This matter was also reported as a reportable condition in our prior year's report.

Management's response:

Management of the Bureau has considered this weakness and determined that it would not be cost effective to employ sufficient personnel to obtain adequate segregation of duties. Management has attempted to mitigate this weakness by its supervision and review procedures.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above to be a material weakness.

Prior Year Audit Findings Reportable Conditions

inadequate segregation of duties. This matter has been discussed above.

This report is intended for the information and use of the Board of Directors, management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Jeffrey B. Smith & Associates

Lake Charles, Louisiana
June 16, 2022